HELD AT ____ ON ____ TIME ____

MINUTES OF THE 63RD ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE AUDITORIUM, GROUND FLOOR, YASHWANT RAO CHAVAN PRATISHTHAN, CHAVAN CENTRE, GENERAL JAGANNATH BHOSALE MARG, MUMBAI 400 021 ON THURSDAY, 30TH JUNE, 2011 AT 3.30 P.M.

PRESENT AT THE MEETING

Directors	:	Mr. R. Gopalakrishnan	Chairman
		Mr. Homi R. Khusrokhan	
		Mr. B. D. Banerjee	
		Mr. E. A. Kshirsagar	
		Dr. S. Ramanathan	
		Mr. Prakash R. Rastogi	
		Mr. Bharat Vasani	
		Dr. K. P. Prabhakaran Nair	
		Mr. R. Mukundan	
		Mr. V. Shankar	Managing Director & CEO
Company Secretary	:	Mrs. P. S. Meherhomji	
Members	:	72 members were present in person and 32 by proxy	
Chairman	:	Mr. R. Gopalakrishnan, Chairman, took the Chair in terms of Article 87 of the Articles of Association of the Company.	
Quorum	:	The Chairman, after declaring that the quorum of the Meeting was present, called the Meeting to order and welcomed the Members.	
Notice	:	The Notice convening the Meeting was taken as read with the consent of the Members.	
Directors' Report & Accounts	:	The Directors' Report and Accounts for the year ended 31st March, 2011 were taken as read with the consent of the Members.	
Auditors' Report	:	The Auditors' Report on the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended as at that date was read by the Company Secretary.	

The Chairman welcomed the shareholders at the 63rd Annual General Meeting and introduced the Directors seated on the dais. The Chairman then made his opening remarks, covering the following:

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- The Chairman began by commenting on the broader environment in which the Company is operating. He stated that the epicenter of global growth is shifting from the developed world to the emerging world; there are global corporations now who derive more than half of their sales from emerging markets. The world is changing in a very dramatic way.

- <u>The Global Economic Growth:</u> The IMF's growth forecast is about 4 or 4½%, largely driven by the emerging markets. However, there are many uncertainties in the global market. India is part of the global growth engine, and its growth is affected by the global uncertainties.

- For the year that has just ended, the growth estimates for India are about 8.2% and the forecast is about 7¼ to 8% for the year ending March 2012. India is now a trillion dollar economy and if it continues on the current growth path, its economy will double every 7 or 8 years.

- However, Indian economy is facing several problems, the biggest among them being inflation. The wholesale price index and consumer price index have been high for the past several months. Various measures have been taken to control inflation, but high food prices are at the centre of inflation. For several months, food inflation has been over 10% in our country, inspite of godowns over flowing with food stocks.

- Various regulatory authorities are trying to control inflation through monetary policies, but the solution may not lie in monetary policy and money supply, but on the supply side. As incomes rise, people like to eat better food, including meat, fruits and so on. This leads to food inflation, unless the supply also increases in response to increased demand.

- Issue of food availability in India should be addressed at two levels; one through an increase in agricultural production and second through easing of marketing channels. Both should go together to solve the problem.

- Similarly, in agriculture, complexities also arise due to involvement of both, the State and Central Governments. For e.g., food storage is in the hands of the State Governments, while other areas like subsidies on food and fertilizers are controlled by the Central Government.

- However, there should be no doubt about the potential of agriculture in India and Rallis is well poised to take advantage of this potential.

- Rallis is a small Company on the Stock Exchange; its total market capitalization is about Rs.3,000 Crores and sales are approximately Rs.1,000 Crores; which cannot be compared with the big corporations. However, the Company has made tremendous progress over the last few years.

- During the last few years, the Profit before Tax and Profit after Tax of Rallis has seen a very good growth. The Chairman stated that during the previous 2 or 3 shareholders' meetings, he had often referred to TSR - Total Shareholder Return. If a shareholder had invested Rs.100 in the Company 5 or 10 years ago, the price of such investment today and the percentage per annum compounded rate of growth in his investment would reflect the TSR. Comparing the last 6 years' data of Rallis with the Sensex, while the Sensex had grown at 18%, Rallis had grown at 34%.

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Considering the last 3 years, the Sensex had grown only at 6% in response to the global situation, but Rallis had grown at 63%.

- Acknowledgement: The management of Rallis had contributed significantly in the progress of the Company and the Chairman hoped that it would continue to do so in future. He recalled the great support that the shareholders had given in 2003, when the Company had a tremendous loss of Rs.107 crores, which was unprecedented for a company of this size. The Chairman said that he believed that over the last 7 to 8 years, the management had tried to responsibly bring the Company back on the growth path. Going forward, the shareholders could be fully assured of the sincerity and dedication of the employees of Rallis.

- The Chairman concluded by placing on record the Board's appreciation for the valuable services rendered by Dr. S. Ramanathan, who was retiring at the conclusion of the Annual General Meeting, during his tenure on the Board. He then requested the Managing Director & CEO, Mr. V. Shankar to make his presentation.

The Managing Director & CEO made his presentation, highlighting the performance of the Company during the year 2010-11, sharing the growth agenda of Rallis Poised and the future prospects of the Company. His presentation covered the following:

- Mr. Shankar began by giving an overview of the key Business Growth drivers for the Company, including crop conditions driven by monsoon, acreage and farmers' ability to pay, and pest occurrence on various crops.

- Erratic monsoon and unseasonal rains during the previous year had impacted acreages in certain crops and delayed Rabi sowing.

- The global crop protection market was estimated to have increased by 0.9% during the previous year.

- The Managing Director then presented the key highlights of the financial performance of the Company during 2010-11. Sales for the year had crossed Rs.1,000 crores. The indicator of profitability of the Company, viz. EBITDA had increased from Rs.170 crores in the previous year to Rs.203 crores in the current year, i.e. a growth of 19%. While Profit Before Tax had increased by 21%, net profit had registered a 25% growth over the previous year.

- The current year's Earning Per Share (EPS) had increased by 24%. The Board had recommended a final dividend of Rs.11/- per share, taking the total dividend for the year to Rs.20/- per share. The Board had also recommended sub-division of the Company's Equity Shares from Rs.10/- per share to Re.1/- per share.

- Mr. Shankar then highlighted the performance of the Company during the year. This included introduction of new products, viz. TARAK (a paddy herbicide), TORAN (an insecticide for cotton sucking pests) and RALLIGOLD (a Plant Growth Nutrient).

- The Company's initiative, Rallis Kisan Kutumba had covered more than 5.5 lakh farmers, with whom the Company maintained regular contact throughout the crop cycle.

- Mr. Shankar also highlighted the manufacturing milestones achieved at various plants during the year. He informed the shareholders that commercial production had commenced at the new manufacturing facility at Dahej in Gujarat.

- Mr. Shankar informed the shareholders regarding the Company's initiatives in the areas of environment and safety and the recognitions received by the Company in this regard.

- Significant achievement during the year included the acquisition of Metahelix Life Sciences Ltd., launch of i-shakti pulses under the MoPu initiative and receipt of Tata Innovista National Award for the Grow More Pulses Project.

- The Managing Director stated that the Company's performance and dividend payouts had significantly improved over the last 5 years, which was reflected in the improved performance of the Company's shares on the Stock Exchanges.

- Mr. Shankar concluded by informing the shareholders that the Company's focus in the coming years would be to assist the Indian farmer in increasing agriculture production and productivity by reducing crop losses and increasing crop nutrition through crop protection solutions, seeds and better farming practices. The aim would be to build a business portfolio by leveraging its core strengths in Agriculture and Chemistry.

The Managing Director & CEO's presentation was followed by an audio-visual on the Company, giving a brief insight into the Company's activities and highlighting the vital role played by the Company in Indian farmers' lives.

Adoption of Directors' Report and Accounts

Mr. T. M. Davar proposed the following Resolution which was seconded by Mr. Manu Parikh.

RESOLVED THAT the Directors' Report for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Profit and Loss Account for the year ended on that date as audited and certified by the Company's Auditors and now submitted to this Meeting, be and are hereby adopted.

Before putting the Resolution to vote, the Chairman invited the shareholders to give their comments and to ask questions, if any, on the Report and Accounts for the year ended 31st March, 2011. In response Mr. T. M. Davar, Mrs. Ashalata Maheshwari, Mrs. Gulshan Chinwala, Mr. Tamal Kumar Majumder, Mr. H. V. Sanghavi, Mr. Hasmukh Gala, Mr. Hariram Chaudhary, Mr. Shailesh Mahadevia, Mr. Kaushik Dhanuka, Mr. Vinit Kumar Parikh, Mr. Seshan Krishnamurthy and Mr. Kedar Kamat participated in the discussions.

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Some of the queries raised and comments made by the shareholders were as follows:

1. The shareholders expressed satisfaction with the Company's performance during the year and the dividend recommended by the Board. They also supported the proposed sub-division of the Equity shares from Rs.10/- per share to Re.1/- per share.

2. What was the likely future of agriculture in the country and how would it affect the Company's growth prospects?

3. What would be the impact of a deficient monsoon on the Company's performance?

4. How many products were introduced during the year? Were there any new products in the pipeline for the current year? Was Ralligold part of the top three brands of the Company? How much did the new products contribute to the turnover of the Company?

5. Did the Company plan to fund its growth plans through sale of surplus assets?

6. How much had the Company invested in the Dahej plant? Would the production from the plant be exported?

7. The shareholders complimented the management on the MoPu initiative and inquired about the future plans of this initiative.

8. How would the Company benefit from the acquisition of Metahelix Life Sciences Limited?

9. With respect to registration of products in international markets, had the Company launched new products abroad?

10. What were the efforts made in recovering the Company's dues before writing them off as bad debts?

11. What was the EVA of the Company?

12. What was the level of ISO 9000 and 14000 certification in the Company?

13. In which newspapers did the Company publish its corporate announcements?

14. What was the employee strength of the Company? What were the plans for additional recruitment?

15. What was the amount spent on the Corporate Social Responsibility (CSR) initiatives?

16. Some shareholders requested that in spite of the Green Initiative of the Ministry of Corporate Affairs, the Company should continue to send physical copies of the Annual Report.

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The Chairman and Managing Director & CEO replied to most of the questions raised by the shareholders as follows:

1. Indian agriculture had a bright future, though many problems remained to be resolved. The Company, through programmes such as the MoPu initiative, was participating in the growth of the agricultural sector and in addressing food security concerns. The Company's vision was to use its core strengths of farmer connect and chemistry to increase production of crops by reducing crop losses and enhancing productivity.

2. A deficit monsoon would not necessarily affect the Company's performance adversely, since the Company had alternate plans for different situations.

3. The Managing Director & CEO stated that three new products were introduced during the year. The Company had other new products in the pipe line, which would be introduced in due course. Ralligold had been launched during the previous year, and had been well received. It was expected that the brand would grow well in the coming years. The Company measured the contribution of new products in the total turnover through the Innovation Turnover Index, which was currently at around 20%.

4. Unlocking the value of surplus assets would depend on the conditions in the property markets. The Company would examine various options for funding its growth plans.

5. The Company had invested about Rs.180 crores in the Dahej facility. Since the unit was located in a SEZ, the production from the same would principally be for the export market.

6. The Company planned to gradually extend the MoPu initiative to other States. While the Parent Company was marketing the output, the Company was contributing by way of supplying crop protection products and advisory services of best practices for increasing productivity.

7. The collaborative effort of Metahelix Life Sciences Ltd. and its wholly owned subsidiary Dhaanya Seeds Ltd., with the competencies of the Company in terms of farmer relationships and channel partnerships, would be leveraged to drive the Company's growth strategy in seeds.

8. The Managing Director & CEO explained that to enable the Company to sell its products in international markets, it had to register them in each country in which it proposed to sell them.

9. The Company made every possible attempt, including legal processes where necessary, to recover its dues. Only when recovery was not possible in spite of best efforts, were amounts written off.

10. The Company had a positive EVA.

11. All the plants of the Company were ISO certified at the latest levels.

12. The Company published its corporate announcements in the Mumbai editions of Hindu Business Line (in English) and Mumbai Lakshadweep (in Marathi).

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13. The employee strength in the Company was 918 as on 31st March, 2011.

14. The Company had spent Rs.1.21 crores on Corporate Social Responsibility (CSR) initiatives during 2010-11. Several employees of the Company also volunteered in various CSR activities of the Company.

15. The shareholders were assured that while the Company was generally supportive of Green Initiatives, hard copies of Annual Reports would continue to be sent to all shareholders who requested for the same.

Having replied to the queries to the satisfaction of the shareholders, the Chairman put the Resolution for adoption of the Directors' and Auditors' Reports and Accounts for the year ended 31st March, 2011 to vote on show of hands and the Resolution was passed unanimously. The other Resolutions were then put to vote.

To confirm the payment of interim dividend and to declare a final dividend for the year 2010-11 on Equity Shares.

The following Resolution proposed by Mr. J. P. Maheshwari and seconded by Mr. Chinoy was put to vote on a show of hands and was carried unanimously:

RESOLVED THAT interim dividend of Rs. 9/- per share (90%) paid to the Equity shareholders as on the Record date of 29th October, 2010 be and the same is hereby confirmed.

RESOLVED FURTHER THAT Final dividend of Rs.11/- per share (110%) be paid on the fully paid-up Equity Shares of Rs.10/- each of the Company in respect of the year ended 31st March, 2011 to those Shareholders whose names appear in the Register of Members as on 10th June, 2011 and to the beneficial owners of the shares as on beginning of 10th June, 2011, as per details furnished by the Depositories for this purpose.

RESOLVED FURTHER THAT the above final dividend be paid by warrants despatched to the Shareholders or their Mandatees, as the case may be, on 6th July, 2011.

Re-appointment of the Retiring Directors

(1) **Appointment of Mr. E. A. Kshirsagar**

The following Resolution proposed by Mr. B. G. Parekh and seconded by Mr. Seshan Krishnamurthy was put to vote on a show of hands and was passed unanimously:

RESOLVED THAT Mr. E. A. Kshirsagar, a Director retiring by rotation under Article 112 of the Articles of Association of the Company be and is hereby re-elected as a Director of the Company.

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(2) **Appointment of Mr. R. Gopalakrishnan**

The following Resolution proposed by Mrs. Gulshan Chinwala and seconded by Mrs. Ashalata Maheshwari was put to vote on a show of hands and was passed unanimously:

RESOLVED THAT Mr. R. Gopalakrishnan, a Director retiring by rotation under Article 112 of the Articles of Association of the Company be and is hereby re-elected as a Director of the Company.

(3) **Appointment of Mr. B. D. Banerjee**

The following Resolution proposed by Mr. J. P. Maheshwari and seconded by Mr. P. K. Vakil was put to vote on a show of hands and was passed unanimously:

RESOLVED THAT Mr. B. D. Banerjee, a Director retiring by rotation under Article 112 of the Articles of Association of the Company be and is hereby re-elected as a Director of the Company.

(4) **Appointment of Dr. K. P. Prabhakaran Nair**

The following Resolution proposed by Mr. Shailesh Mahadevia and seconded by Mrs. Ashalata Maheshwari was put to vote on a show of hands and was passed unanimously:

RESOLVED THAT Dr. K. P. Prabhakaran Nair, a Director retiring by rotation under Article 112 of the Articles of Association of the Company be and is hereby re-elected as a Director of the Company upto the Annual General Meeting of 2013.

Appointment of Auditors

The following Resolution proposed by Mrs. Ashalata Maheshwari and seconded by Mr. Seshan Krishnamurthy was put to vote on a show of hands and was passed unanimously:

RESOLVED THAT pursuant to the provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, M/s Deloitte Haskins & Sells, Chartered Accountants, having Firm Registration No. 117366W, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be mutually agreed upon between the Board of Directors/ Audit Committee and the Auditors, plus out-of-pocket expenses and applicable taxes.

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Sub-division of Equity Shares of the Company.

The following Resolution proposed by Mr. J. P. Maheshwari and seconded by Mr. Chinoy was put to vote on a show of hands and was carried unanimously:

RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or reenactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, 5,00,00,000 Equity Shares of the Company having a face value of Rs.10/- each in the Authorized Share Capital of the Company be sub-divided into 50,00,00,000 Equity Shares having a face value of Re.1/- each.

RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, the 1,94,46,889 Issued, Subscribed and Fully Paid-up Equity Shares having a face value of Rs.10/- each, shall stand sub-divided into 19,44,68,890 Equity Shares of the face value of Re.1/- each.

RESOLVED FURTHER THAT upon the sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of Rs.10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and dispatch the new Share certificate(s) of the Company, in lieu of such existing Share Certificate(s), subject to the provisions of Companies (Issue of Share Certificates) Rules, 1960, and in the case of the Equity Shares held in dematerialized form or in respect of Shareholders who opt to receive the sub-divided Equity Shares in dematerialized form, the number of sub-divided Equity Shares shall be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants and the Company shall take such corporate actions as may be necessary in relation to the existing Equity Shares.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorized to take all such steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to the Managing Director or Company Secretary, to give effect to the aforesaid resolution.

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Alteration of the Memorandum of Association of the Company

The following Resolution proposed by Mr. Tamal Kumar Majumder and seconded by Mr. Hasmukh Gala was put to vote on a show of hands and was passed unanimously:

RESOLVED THAT pursuant to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or reenactment thereof, for the time being in force) Clause 5 of the Memorandum of Association of the Company be altered by substituting the following in place of the existing Clause 5:

"5. The Capital of the Company is Rs.200 Crores divided into 50,00,00,000 Equity Shares of Re.1/- each and 15,00,00,000 Preference Shares of Rs.10/- each with power to increase or reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the Act or by the Articles of the Company."

Alteration of the Articles of Association of the Company

The following Resolution proposed by Mrs. Ashalata Maheshwari and seconded by Mr. P. K. Vakil was put to vote on a show of hands and was passed unanimously:

RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or reenactment thereof, for the time being in force) Article 3 of the Articles of Association of the Company be altered by substituting the following in place of the existing Article 3:

"3. The Authorized Share Capital of the Company is Rs.200 Crores divided into 50,00,00,000 Equity Shares of Re.1/- each and 15,00,00,000 Preference Shares of Rs.10/- each.

Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialized form."

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Vote of Thanks: The Chairman thanked the members for their co-operation in conducting the meeting, which then terminated with a Vote of Thanks to the Chair.

K. Gopalakrishnan

29-7-2011 CHAIRMAN

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